

**ALASKA STATE LEGISLATURE
HOUSE JUDICIARY STANDING COMMITTEE**

March 29, 2021

1:01 p.m.

MEMBERS PRESENT

Representative Matt Claman, Chair
Representative Liz Snyder, Vice Chair
Representative Harriet Drummond
Representative Jonathan Kreiss-Tomkins
Representative David Eastman
Representative Christopher Kurka

MEMBERS ABSENT

Representative Sarah Vance

COMMITTEE CALENDAR

HOUSE BILL NO. 57

"An Act relating to the budget reserve fund established under art. IX, sec. 17(d), Constitution of the State of Alaska; relating to money available for appropriation for purposes of applying art. IX, sec. 17, Constitution of the State of Alaska; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 29

"An Act relating to liability of an electric utility for contact between vegetation and the utility's facilities; and relating to vegetation management plans."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 57

SHORT TITLE: FUNDS SUBJECT TO CBR SWEEP PROVISION

SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

02/18/21	(H)	PREFILE RELEASED 1/15/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	JUD, FIN
03/10/21	(H)	JUD AT 1:30 PM GRUENBERG 120
03/10/21	(H)	Scheduled but Not Heard

03/17/21	(H)	JUD AT 1:30 PM GRUENBERG 120
03/17/21	(H)	Heard & Held
03/17/21	(H)	MINUTE(JUD)
03/19/21	(H)	JUD AT 1:30 PM GRUENBERG 120
03/19/21	(H)	-- Public Testimony --
03/24/21	(H)	JUD AT 1:30 PM GRUENBERG 120
03/24/21	(H)	Scheduled but Not Heard
03/29/21	(H)	JUD AT 1:00 PM GRUENBERG 120

BILL: HB 29

SHORT TITLE: ELECTRIC UTILITY LIABILITY

SPONSOR(S): REPRESENTATIVE(S) RAUSCHER

02/18/21	(H)	PREFILE RELEASED 1/8/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	JUD, L&C
03/19/21	(H)	JUD AT 1:30 PM GRUENBERG 120
03/19/21	(H)	<Bill Hearing Canceled>
03/22/21	(H)	JUD AT 1:30 PM GRUENBERG 120
03/22/21	(H)	Heard & Held
03/22/21	(H)	MINUTE(JUD)
03/29/21	(H)	JUD AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE ANDY JOSEPHSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 57.

ELISE SORUM-BIRK, Staff

Representative Andy Josephson

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Gave a PowerPoint on HB 57 on behalf of Representative Josephson, prime sponsor.

NANCY BIRD

Cordova, Alaska

POSITION STATEMENT: Testified in support of HB 57.

REPRESENTATIVE GEORGE RAUSCHER

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 29.

ANDY LEMAN, General Counsel

Alaska Power Association
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to Amendment 1 to HB 29.

ACTION NARRATIVE

[1:01:08 PM](#)

CHAIR MATT CLAMAN called the House Judiciary Standing Committee meeting to order at 1:01 p.m. Representatives Drummond, Snyder (via teleconference), and Claman were present at the call to order. Representatives Kreiss-Tompkins, Eastman, and Kurka arrived as the meeting was in progress.

HB 57-FUNDS SUBJECT TO CBR SWEEP PROVISION

[1:01:50 PM](#)

CHAIR CLAMAN announced that the first order of business would be HOUSE BILL NO. 57, "An Act relating to the budget reserve fund established under art. IX, sec. 17(d), Constitution of the State of Alaska; relating to money available for appropriation for purposes of applying art. IX, sec. 17, Constitution of the State of Alaska; and providing for an effective date."

[1:02:21 PM](#)

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, as prime sponsor, introduced HB 57. He said the idea for the legislation came from his witnessing confusion and uncertainty during a July 2019 House Finance meeting on the topic of the constitutional budget reserve (CBR), particularly on the application of the CBR and the sweep provisions, where there appeared to be differences between the administration and legislative agencies. He said that just weeks before, there had been "massive vetoes," and doubling the impact of those vetoes was the administration's belief that "everything was 'sweepable'." Representative Josephson said a thorough study of the case *Hickel v. Cowper* showed that everything is not sweepable. He said in preparing HB 57, he and his staff consulted with the Legislative Finance Division and the Legislative Division of Audit.

[1:04:14 PM](#)

ELISE SORUM-BIRK, Staff, Representative Andy Josephson, Alaska State Legislature, gave a PowerPoint on HB 57 on behalf of Representative Josephson, prime sponsor. Having covered the sectional analysis on slide 2 at a prior committee meeting, she directed attention to slide 3, "CBR repayment provision," which read as follows [original punctuation provided]:

Article IX, Section 17(d)- "If an appropriation is made from the budget reserve fund, until the amount appropriated is repaid, the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund. **The legislature shall implement this subsection by law.**"

MS. SORUM-BIRK said this was attempted through House Bill [58] in 1994, [during the Eighteenth Alaska State Legislature], a law that was found by the Alaska Supreme Court to be "broadly unconstitutional." She emphasized that it is "high time the legislature take up this important role of implementing this subsection by law." She stated that is the aim of HB 57.

[1:06:11 PM](#)

MS. SORUM-BIRK moved on to discuss intent language, covered on slides 4-9. She pointed out the first "Legislative Intent" on slide 4, which read as follows [original punctuation provided]:

"It is the intent of the legislature to create statutory definitions for these terms in alignment with both the current legal understanding of them and the reality of existing state fiscal systems."

- o A lack of clarity in statutes surrounding the mechanics of the sweep provision
- o Potential adverse impacts on the availability of important fund sources
- o July 2019 events
- o Need consistent meaning of terms "general fund" and "available for appropriation"

MS. SORUM-BIRK said something can be swept if it is available for appropriation or is part of the general fund. She said during the discussions of 2019, then Director of Legislative Finance, David Teal, warned that without statutory definitions in place, the sweeps become a matter of legislative policy rather than a matter of law.

MS. SORUM-BIRK moved on to the second "Legislative Intent," on slide 5, which read as follows [original punctuation provided]:

- o It is the intent of the legislature to update the section of statute defining "available for appropriation" to specifically reflect the findings set forth in Hickel."
- o The Alaska Supreme Court's analysis in the Hickel v. Cowper decision provides a framework
- o A legislative obligation exists to implement by law Article 9 Section 17(d) of the constitution
- o 1994 passage of House Bill 58 (AS 37.10.420) aimed to do this but was found to be broadly unconstitutional
- o Supreme Court outlined general standard and invited a reexamination of this statute
- o "We also make no attempt to name and classify as "available" or "unavailable" every fund within the treasury of the State of Alaska. We leave it, in the first instance, to executive and legislative branch officials more familiar with all of the funds involved to apply the general definition we adopt today." (Hickel v Cowper, 874 P. 2d 922, n. 27)
- o Legislative Audit Finding No. 2019-089 of the State of Alaska FY 2019 Single Audit

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MS. SORUM-BIRK turned to the third "Legislative Intent," on slide 6, which read as follows [original punctuation provided]:

- o "It is the intent of the legislature to protect the financial security of existing programs and maintain the integrity of state financial structures to the greatest extent possible"
- o The Hickel ruling voiced clear opposition to disrupting the mechanics of state finance; advocated commonsense approach o Legislature's view too narrow, Cowper's view too broad
- o Revolving Loan Funds- "...the existing state programs dependent on these funds would have to be curtailed if these funds were expended on another purpose. These funds are maintained, however, because in the judgment of the legislature they serve worthwhile purposes." (Hickel, 874 P. 2d at 929)

MS. SORUM-BIRK moved on to the fourth "Legislative Intent," on slide 7, which read as follows [original punctuation provided]:

- o "The legislature finds that appropriated funds which can be expended with no further legislative action are no longer considered available for appropriation and thus would not be included in the sweep... It is the intent of the legislature to include this principle in the codified definition of 'available for appropriation.'"
- o True regardless of if the funds were given to a state agency to spend or were held in the general fund
- o Hickel - Article 17 did not require "counting funds already validly appropriated to a specific purpose as still 'available'" and that monies already "validly committed by the legislature to some purpose should not be counted as available." (Hickel, 874 P. 2d at 930-931)

MS. SORUM-BIRK turned to the fifth "Legislative Intent," on slide 8, which read as follows [original punctuation provided]:

- o "The legislature finds that any funds that cannot be immediately expended through appropriation are not considered available for appropriation and thus are not subject to the sweep ... It is the intent of the legislature to include this principle in the codified definition of 'available for appropriation.'"
- o The Hickel Court held that the voters, in supporting passage of the CBR resolution in 1990, were not trying to eliminate state services or liquidate state assets before funds in the CBR could be accessed (Hickel, 874 P. 2d at 928).
- o Categories of funds that are not immediately spendable include:
 - o illiquid assets
 - o revolving loan funds
 - o grants to the state from private entities

[1:12:30 PM](#)

MS. SORUM-BIRK addressed the sixth "Legislative Intent," on slide 9, which read as follows [original punctuation provided]:

- o "The legislature finds that funds considered to be trust receipts, despite being included in the metric for calculating what is available, are to be excluded

from the sweep... It is the intent of the legislature to include this principle in the codified definition of 'available for appropriation' and to clarify in statute the principle that trust receipts are not fully subject to the sweep provision."

- o If actually appropriated must be included in "available for appropriation"

- o Only a portion is available according to Hickel - the part that would be expended consistent with application of prudent "trust principles"

MS. SORUM-BIRK added that trust receipts include: federal funds; funds given to the state for a specific purpose by private entities; and appropriations from trust accounts. She read footnote 23 of the case notes as follows:

Amounts appropriated by the legislature out of other funds within executive agencies for the purpose of administering these funds under explicit statutory authority may also be treated as a type of trust receipt.

MS. SORUM-BIRK said this would include agriculture, fishing, and small business revolving loan funds.

[1:14:15 PM](#)

REPRESENTATIVE JOSEPHSON clarified:

The fact that it's available for appropriation, as the slide shows, doesn't mean that it's ... to be swept. And that relates to that important calculation about whether the legislature must deliver a simple majority to spend from the CBR or the three-quarter supermajority from both chambers. That's the importance of that distinction.

[1:14:53 PM](#)

CHAIR CLAMAN asked for a more specific example related to trust receipts.

MS. SORUM-BIRK reviewed the revolving loan funds previously stated and suggested the next slide would speak to Representative Claman's question.

[1:15:56 PM](#)

MS. SORUM-BIRK directed attention to the seventh "Legislative Intent," on slide 10, which read as follows [original punctuation provided]:

- o "The Hickel Court treated money appropriated by state corporations much the same way as trust receipts..."
- o Alaska Energy Authority is a state corporation that holds the Power Cost Equalization (PCE) endowment fund. The PCE is not subject to sweep or part of the general fund for 4 reasons
 - o 1) This fund is housed in a corporation
 - o 2) PCE follows an endowment model which requires application of prudent "trust principles"
 - o 3) Hickel says that only the money appropriated from a corporation must be counted as available for appropriation, even if a corporation had funds in excess of what it required to fulfill its purpose
 - o 4) The legislature has never fully appropriated the funds and it is unlikely that it would do so, as that would defy the very purpose of the fund

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REPRESENTATIVE JOSEPHSON noted that attorney Megan Wallace, [Director, Legislative Legal Services], said PCE should not be sweepable, while [former] Attorney General Kevin Clarkson said it was. He said, "This is one of many examples of why a roadmap for the legislature, and for ... agencies that we interrelate with, is important, and ... absolutely encouraged, both by the CBR's express language and by Hickel v. Cowper."

[1:18:03 PM](#)

CHAIR CLAMAN observed that the slide read that only money from [emphasis on "from"] a corporation must be counted as available for appropriation. He asked if that was meant to distinguish appropriation from a corporation rather than to a corporation.

[1:18:44 PM](#)

MS. SORUM-BIRK answered, "That is probably correct." She clarified that which is appropriated from the fund is what is available. She said she thinks the logic behind that is: "You have to count the money you're spending in the metric of the

money available for appropriation; you have to count the money you actually appropriate in that metric."

1:19:50 PM

MS. SORUM-BIRK drew attention to the eighth "Legislative Intent," on slide 11, which read as follows [original punctuation provided]:

- o "The legislature finds that the earnings reserve account, as an account in the Alaska permanent fund, is located outside of the general fund and thus is not subject to the sweep provision... It is the intent of the legislature to codify fund types that exist in the state treasury separately from the general fund to eliminate all uncertainty as to what constitutes the general fund."
- o Hickel- "the earnings reserve account, need not be deposited into the budget reserve." (Hickel, 874 P. 2d 922, 23)

MS. SORUM-BIRK said although the earnings reserve account (ERA) was specifically referenced in the case, how the state uses it has changed "pretty drastically" over time. She said the issue was briefly touched upon in "the Wielechowski decision." She said that if the argument made by the former attorney general were followed, then funds being used in a manner similar to those in the general fund would count as general fund. Since the legislature can and regular does appropriate from the ERA, an argument could be made that the ERA was sweepable, "if you just took that same logic being used on the PCE one step further." She added that if the ERA were swept "that would be kind of a disaster."

MS. SORUM-BIRK moved on to the ninth "Legislative Intent," on slide 12, which read as follows [original punctuation provided]:

- o "It is the intent of the legislature to define 'general fund' in a way that is practical, logical, and stabilizing in nature."
- o No statutory or constitutional definition for the term "general fund" exists
- o Occurs 200+ times throughout statute
- o Lack of consistency between organizations - currently a matter of policy rather than law
- o It is common practice in other states to define 'general fund'

MS. SORUM-BIRK added that a definition would provide "legal consistency in how 'general fund' is viewed."

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MS. SORUM-BIRK next addressed slides 13 and 14, regarding the general fund (GF). Slide 13, which responds to the question of what the GF is, read as follows [original punctuation provided]:

- There isn't consensus between state agencies
- In budgeting terms, we are used to thinking in terms of UGF, DGF, Federal and Other
 - These categories don't align with the accounts in the state treasury
- The CAFR says
 - "All public monies and revenues coming into the state treasury not specifically authorized by statute to be placed in a special fund constitute the General Fund"
 - But also notes - "Not all revenues that flow into the General Fund are available to pay for unrestricted government activities. The most notable are federal revenues, which are provided for specific purposes."
- It is common practice in public finance to define general fund

MS. SORUM-BIRK said slide 14 gives the current definition of general fund, which is: "The primary operating fund of the state, consisting of all money paid into the state treasury that is not specifically authorized by law to be placed in a separate fund." She said HB 57 lists that which is excluded from the general fund, shown on slide 14 as follows [original punctuation provided]:

- funds held or managed by legally separate entities that the state is financially accountable for including funds held or managed by public corporations and the University of Alaska
- enterprise funds
- debt service funds
- special revenue funds
- the Alaska permanent fund
- internal service funds
- agency funds

[1:25:11 PM](#)

MS. SORUM-BIRK, in response to Chair Claman, confirmed there is currently no definition of "general fund" in statute or within the Constitution of the State of Alaska.

[1:25:33 PM](#)

MS. SORUM-BIRK turned to the summary on slide 15, which read as follows [original punctuation provided]:

Summary of principles from *Hickel v Cowper* used in defining "available for appropriation"

- Two main parameters:
 - "must include all funds over which the legislature has retained power to appropriate"
 - and
 - "which are not available to pay expenditures without further legislative appropriation"
- For trust receipts the amount appropriated by the legislature IS the amount available for appropriation
 - This category includes federal funds, funds given to the state for specific purposes by private entities AND appropriations from trust account
 - Notably "amounts appropriated by the legislature out of other funds within executive agencies for the purpose of administering these funds, under explicit statutory authority may also be treated as a type of trust receipt" (revolving loan funds)
 - Monies of public corporations are treated similarly to trust receipts
 - Excludes illiquid assets, funds expendable without further legislative appropriation, or funds validly appropriated

MS. SORUM-BIRK brought attention to slide 16, "Goal in Summary," which read as follows [original punctuation provided]:

HB 57 aims to enact by law section Article IX, Section 17 (d) of the Alaska Constitution thereby providing legal clarity on the sweep provision.
It does this by:

- defining 'available for appropriation' using an understanding of parameters set in *Hickel v Cowper* and thereby correcting the largely unconstitutional AS 37.10.420 (a)(1)

- defining 'general fund' in a way that reflects the actual mechanics of state finance and clarifying what fund types are excluded from the general fund
- formally addressing which funds within the general fund cannot be swept and why

[1:27:30 PM](#)

CHAIR CLAMAN referred to Section 3 of the proposed bill and speculated that every fund did not "make the list," and he asked how the funds listed were chosen.

[1:29:09 PM](#)

MS. SORUM-BIRK pointed out that in the bill language, the word "including" preceding the list means some but not all are on the list. She stated that the funds listed are sub-funds in the general fund that are not subject to the sweep. She noted that both the Legislative Audit Division and the Legislative Finance Division would be doing thorough reviews of the bill to ensure everything necessary was included.

[1:30:04 PM](#)

CHAIR CLAMAN summarized, "So, at least in terms of these funds that aren't subject to sweep, the thought is this wouldn't necessarily be an exhaustive list."

MS. SORUM-BIRK confirmed that's correct.

[1:30:17 PM](#)

REPRESENTATIVE DRUMMOND noted where "these funds include" was located on page 8, line 8, of HB 57, and she asked if the sponsor's intent was not to use "but are not limited to" and instead to make the list inclusive.

[1:30:46 PM](#)

MS. SORUM-BIRK answered no and reiterated that "include" infers that the list is "not limited to" that which is on it.

[1:31:10 PM](#)

CHAIR CLAMAN recollected "a distant memory" of a communication with Legislative Legal Services, at which time the agency told him that "include" makes "not limited to" unnecessary. He said

that caused him sometimes to look in statute for examples of that, and he has noticed that frequently "not limited to" is not added. He suggested that would be a good point to query with Ms. Wallace.

[1:31:57 PM](#)

REPRESENTATIVE DRUMMOND remarked that after carefully reading the list on page 8, she is keen to learn where the higher education investment fund would fall. She speculated that it could fall under the University of Alaska (UA). She explained her interest in the fund stems from "a non-educational intent for funds to be withdrawn from ... the corpus of the higher education investment fund."

[1:32:35 PM](#)

MS. SORUM-BIRK responded that unfortunately the higher education investment fund is not on the list because it is subject to sweep when using the definitions set forth under Hickel v. Cowper. Under statute, the fund exists within the GF, and the legislature retains full appropriation control over it. She said there was no way the sponsor could see to include that fund [on the list] without changing the statute surrounding it. She offered examples of how this could be changed.

[1:34:18 PM](#)

CHAIR CLAMAN asked whether the bill sponsor had considered including a provision in HB 57 that would give the governor the authority to identify a fund as "not subject to sweep" followed by a period of time in which the legislature could determine whether to reject that decision.

MS. SORUM-BIRK answered no. She said the sponsor "used a pretty cut-and-dry interpretation of the [Alaska] Supreme Court case," which focuses on whether the fund is sweepable, whether it is in the GF, and whether it is available for appropriation.

[1:37:01 PM](#)

CHAIR CLAMAN opened public testimony on HB 57.

[1:37:23 PM](#)

NANCY BIRD testified in support of HB 57. She opined, "Clear and concise statutory definitions of the terms 'available for

appropriation' and 'general fund' are essential, since the fund source must meet both of these standards to be subject to the sweep." The proposed legislation aims to define "general fund" in a way that clarifies the types of funds that would be excluded, which she said she thinks is important in making clear that the GF does not include money such as the PCE or ERA. She urged the committee to support HB 57.

[1:38:38 PM](#)

CHAIR CLAMAN, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 57.

CHAIR CLAMAN announced that HB 57 was held over.

[1:39:24 PM](#)

The committee took an at-ease from 1:39 p.m. to 1:43 p.m.

HB 29-ELECTRIC UTILITY LIABILITY

[1:43:04 PM](#)

CHAIR CLAMAN announced that the final order of business would be HOUSE BILL NO. 29, "An Act relating to liability of an electric utility for contact between vegetation and the utility's facilities; and relating to vegetation management plans."

CHAIR CLAMAN noted those available to answer questions.

[1:44:13 PM](#)

REPRESENTATIVE GEORGE RAUSCHER, Alaska State Legislature, as prime sponsor, presented HB 29. He introduced a video sent by a utility that demonstrates what a tree on the edge of a right-of-way can do to a power line.

[1:45:02 PM](#)

[The committee viewed the video.]

[1:45:57 PM](#)

CHAIR CLAMAN announced that the committee would entertain amendments. He stated that Legislative Legal and Research Services would have permission to make any technical or conforming changes to HB 29.

[1:46:45 PM](#)

REPRESENTATIVE SNYDER moved to adopt Amendment 1, labeled 32-LS0235\A.2, Klein, 3/23/21, which read as follows:

Page 1, line 14:
Delete "entirely"

[1:46:53 PM](#)

REPRESENTATIVE DRUMMOND objected for the purpose of discussion.

[1:47:00 PM](#)

REPRESENTATIVE SNYDER spoke to Amendment 1. She said it would remove the word "entirely" when addressing liability, as shown on page 1, line 14. She prefaced her explanation by stating she supported "the spirit" of HB 29, then expressed concern that retaining the word "entirely" would create two loopholes. First, a company could fail to clear all the branches, and if those branches were from a tree outside the right-of-way, the company would not be held liable. Second, a company may not be held liable for not cutting branches inside a right-of-way if part of a tree's branches were outside the right-of-way, since technically all the tree's branches would not be considered entirely in the right-of-way. Amendment 1 would get rid of those loopholes.

[1:49:29 PM](#)

REPRESENTATIVE KREISS-TOMKINS commented that that makes sense.

[1:49:56 PM](#)

ANDY LEMAN, General Counsel, Alaska Power Association, stated that the Alaska Power Association (APA) opposes Amendment 1 to HB 29. He said utilities do not leave branches that would jeopardize power lines; they clear trees in rights-of way where possible. However, there are issues with trees outside the rights-of-way that may bend into the rights-of way, and he indicated that situation is not within the scope of the management plan. He continued:

So, ... the "entirely" in there ... was designed to try to make sure that utilities are not being held responsible ... for vegetation ... that they really

cannot control, and the vegetation management piece that's in there ... is designed to reflect what utilities are already doing in ... the areas where they do have control, which is managing that vegetation, making sure that it ... doesn't contact their facilities.

[1:51:50 PM](#)

REPRESENTATIVE KURKA stated support for Amendment 1. He explained that he is familiar with working with trees on private property, near power lines, because in a prior job he "climbed up trees and took them down in little pieces." It is typical for a tree in a right-of-way to spread its branches outside of the right-of-way, and HB 29, as currently written, "would exempt the utility for responsibility for that tree." He remarked that "entirely" is a big word, which he interpreted as meaning that "every last piece of branch has to be within the utility ... in order for them to be liable for what that tree does." He opined that is unreasonable. He said he does not think the intent of the bill would be lost with Amendment 1.

[1:54:05 PM](#)

REPRESENTATIVE KREISS-TOMKINS said he agrees with the comments made by Representative Kurka and does not think the spokesperson for APA addressed Amendment 1 specifically in his comments.

[1:54:35 PM](#)

REPRESENTATIVE EASTMAN stated support for Amendment 1 but questioned whether "it goes far enough." He indicated that Legislative Legal Services had drafted another amendment, which he said he would not move to adopt but would "share with members for their benefit."

[1:55:00 PM](#)

CHAIR CLAMAN pointed out that in Section 1, subsection (b), paragraph (1), on page 1, line 14 of HB 29, the word "entirely" is used, but in paragraph (2), on page 2, line 3, "entirely" is not used. He said the inconsistency is a concern. He described a situation in which a tree on one neighbor's property may extend its branches over the property line into the neighbor's property next door, and he suggested that mirrors the situation utilities have in deciding what does and does not get cut. He said there is a factor of judgement involved; therefore, he

thinks it is appropriate to remove the word "entirely" and he supports Amendment 1.

[1:56:33 PM](#)

REPRESENTATIVE DRUMMOND removed her objection to the motion to adopt Amendment 1. There being no further objection, Amendment 1 was adopted.

[1:56:52 PM](#)

The committee took a brief at-ease at 1:57 p.m.

[1:57:33 PM](#)

CHAIR CLAMAN mentioned an Alaska Dispatch News (ADN) article about the McKinley fire in 2019 and law suits involving utilities companies. He said his staff confirmed that on August 23, 2019, Governor Mike Dunleavy issued a disaster declaration related to several fires, including the McKinley fire. He explained that the question raised in the ADN was who pays when these fires occur. He said he would be fine if the bill were moved out of committee to its next committee of referral; however, he invited members to give feedback as to whether they would like to hear from insurance companies and the executive branch regarding the cost of the fires and who pays.

[1:59:30 PM](#)

REPRESENTATIVE KREISS-TOMKINS said he would like to hear from insurance companies and/or private land owners on the subject. He said there are multiple incidences that directly relate to HB 29. He opined that saying the bill is being preemptively offered is ridiculous but allowed that he may have misunderstood the testimony from the industry at the previous hearing. He said even though he thinks HB 29 is probably good legislation, he would like to hear from "other stakeholders."

[2:00:47 PM](#)

REPRESENTATIVE EASTMAN said he would be interested in receiving more information, as well as hearing perspective from "those on the workers' compensation side of things" to gain perspective and assuage any concern that "passage of this bill might negatively impact those ... seeking compensation for a workplace injury."

2:01:18 PM

CHAIR CLAMAN announced that HB 29, as amended, was held over.

2:02:43 PM

ADJOURNMENT

There being no further business before the committee, the House Judiciary Standing Committee meeting was adjourned at 2:03 p.m.